

URL: <https://stvp.stanford.edu/clips/changing-company-culture>

Meg Whitman, president and CEO of Hewlett Packard Enterprise, discusses the difficulty of changing a company's culture and how the key is to focus on a few core values and constantly repeat the message. Whitman also stresses the importance of identifying the obstacles standing in the way of change, and making sure the message is just as clear to far-flung groups within a large organization.



Transcript

- So probably most of you know, and you know this, that changing culture at companies is the most difficult thing that you do, because cultures are very entrenched, and particularly for a 75 year old company or now an 80 year old company, this is really difficult.. I will tell you, it was also pretty difficult even with 30 people at eBay, it's easier 'cause you can manage by walking around and you can see anyone, but it's the most difficult thing that we do, so my view is, we have to have, what are the key things that we're gonna stand for, we talked about that before, innovators at heart, corporate social responsibility, and we'll do anything for customers.. And then you have to say, what are the things that are getting in the way of us being a great company? And for Hewlett Packard one of the things getting in our way was sense of urgency and jumping on the problems.. And I think it's because, listen, when customers have problems or there's hard problems to be solved, sometimes people back away from those challenges, who wants to go see a customer that's not particularly happy with you? But if you run to the fire, I promise you, these problems do not get better with age, it's not like fine wine.. You've got to run to the fire.. And so we had a couple of things that we really focused on, run to the fire was one, another was escalate the problems in 24 hours and resolve them in 48.. And we gave permission to escalate right to me.. And the culture was not a great thing to escalate over your boss, 'cause your boss would not be happy that you had told your boss's boss that there was a problem.. We had to completely change the culture, which is if you did not escalate, then that was the problem.. And this is now washing nicely through Hewlett Packard, because we didn't punish people for escalating, we actually celebrated them..

But I will tell you this takes time.. I was probably at Hewlett Packard for almost two years and we had been talking about this, talking about this, and we were making progress, and then I went to visit Hewlett Packard in Poland, and I'm sitting in a group like this with all our HP employees who were still looking at me like the company had looked at me back in the fall of 2011.. (audience chuckles) Yeah, I'm not so sure about this.. So it was interesting.. So a fellow raised his hand and he said, you know that whole escalate in 24, resolve in 48, I just think escalating in 24 days and resolving in 48 days isn't the right thing to do.. The Pony Express had not gotten to Poland.. By the time this got to Poland, 24 hours and 48 hours had turned into 24 days and 48 days, I mean, can you imagine? And so repetition is a really good thing.. Someone told me not too long ago, the prayer does not get boring with age, with repetition, the prayer does not get old with repetition.. So repetition as you're trying to change a company culture is super important, 'cause you find pockets of people, like HP Poland, who hadn't actually gotten the message quite accurately.. So it's repetition, it's focusing on a small number of things..

I am a big believer in the three bucket theory.. People can remember three things, they cannot remember 10, they cannot remember 16 initiatives, they can remember three things.. And so as you think about changing culture, what are the three things you're gonna focus on? And when those are done you can go to the next three.. But if you have a list of, let's do 16 different things and change 16 different values, it just gets lost in the wash, honestly...